

UNEMPLOYMENT INSURANCE

(Updated on July 10, 2021)

Since the pandemic began, more than 46 million people across the United States have received more than \$600 billion in unemployment benefits. Unemployment insurance (UI) claims normally expire after 52 weeks. However, with the enactment of the American Rescue Plan (ARP), which I supported, most claimants will have theirs automatically extended and will continue to receive benefits under the Pandemic Unemployment Emergency Compensation (PEUC) program and Pandemic Unemployment Assistance (PUA).

American Rescue Plan

Highlights of the unemployment benefits provisions:

1. Extends PUA from 50 weeks to up to 73 weeks through September 6, 2021.
2. Extends PEUC from 24 to 53 weeks.
3. Continues to support workers by providing an additional \$300 in weekly benefits through September 6, 2021.
4. Helps shore up and modernize federal and state UI systems to help workers get the benefits they deserve when they need them.

Pandemic Unemployment Emergency Compensation (PUEC)

PUEC provides an additional 13 weeks of unemployment benefits for individuals who have exhausted benefits they are otherwise entitled to under state law. Therefore, eligible individuals now may receive unemployment benefits up to a maximum of 39 weeks, whereas previously many states capped regular benefits at 26 weeks. These extended benefits are available through September 6, 2021.

If an individual is already receiving unemployment benefits, qualifies for unemployment benefits under state law, or is eligible for PUA (discussed below), then that individual will be eligible to receive the additional 13 weeks. These additional 13 weeks will be paid at the same weekly rate the individual is otherwise eligible to receive under applicable law. If any of these 13 weeks end on or before July 31, 2020, they will also include the \$600 FPUC payment. If an individual exhausted previously available benefits at some point after July 1, 2019, then they will need to reapply to receive the additional 13 weeks.

Pandemic Unemployment Assistance (PUA)

PUA expands coverage to certain workers who traditionally are not eligible for unemployment benefits under state law, such as individuals who are self-employed, independent contractors, have limited work history or who have exhausted all rights to regular or extended unemployment benefits. This is particularly important for those who work in the gig economy, who work largely as independent contractors and freelancers.

To be eligible for PUA benefits, individuals must be unemployed, partially unemployed or unable to work for reasons relating to COVID-19, including:

- You have been diagnosed with or are experiencing symptoms of COVID-19 and are seeking a medical diagnosis;
- A member of your household has been diagnosed with COVID-19;
- You are providing care for a family member or a member of your household who has been diagnosed with COVID-19;
- Your child or other person in the household for whom you are the primary caregiver is unable to attend school or another facility that is closed due to the COVID-19 pandemic, and that school or facility care is required for you to work;
- You are unable to reach your place of employment because of a quarantine or stay-at-home order due to the COVID-19 pandemic;
- You are unable to reach your place of employment because you have been advised by a health care provider to self-isolate or quarantine because you are positive for or may have had exposure to someone who has or is suspected of having COVID-19;
- You were scheduled to start a new job and do not have an existing job or are unable to reach the job as a direct result of the COVID-19 pandemic;
- You have become the breadwinner/major supporter for a household because the head of your household has died as a direct result of COVID-19;
- You had to quit your job due to being diagnosed with COVID-19 and being unable to perform your work duties;
- Your place of employment is closed as a direct result of the COVID-19 pandemic.
- You worked as an independent contractor with reportable income and COVID-19 has severely limited your ability to continue performing your work activities and/ or has forced you to suspend such activities for one of the above COVID-19 reasons.
- You have been denied continued unemployment benefits because you refused to work or accept an offer of work at a worksite that, is not in compliance with local, state or national health and safety related to COVID-19. These health and safety measures include, but are not limited to, facial mask wearing, physical distancing measures, or the provision of personal protective equipment consistent with public health guidelines.
- You provide services to an educational institution or educational service agency and are unemployed or partially unemployed because of volatility in the work schedule that is directly caused by the COVID-19 public health emergency. This includes, but is not limited to, changes in schedules and partial closures; or
- Your work hours have been reduced or you have been laid off as a direct result of the COVID-19 public health emergency.

Addition Overview Information

A more detailed overview of unemployment programs in Hawai'i is available online at: <https://labor.hawaii.gov/ui/covid-19-ui-benefit-programs/>.

UI Tax Exclusion for 2020

The ARP allows taxpayers to exclude up to \$10,200 in UI benefits from income in 2020 for federal income tax purposes. It applies a \$150,000 AGI threshold for this benefit regardless of the taxpayer's filing status (i.e., married filing jointly, single or head of household).

Additional UI Administrative Funding

The ARP provides \$2 billion in additional UI administrative funding to “detect and prevent fraud, promote equitable access and ensure the timely payment of benefits.” This funding is

available until expended and may be used for (1) federal administrative costs, (2) system-wide infrastructure and (3) grants to states and territories administering UI benefits for program integrity and fraud prevention purposes, including for identity verification and faster claims processing. The ARP also provides an additional \$8 million for necessary expenses to carry out federal activities related to the administration of UI programs.

Resources for Hawai'i

Latest Updates

Across the country, a growing number of states have stopped participating in the federal unemployment benefits program, but Governor David Ige recently announced that Hawai'i would continue to make PUA, PEUC and "plus-up" assistance available for our residents.

While the state reinstated search-for-work requirements, it also provided unemployed individuals with additional resources and support to help get them back to work. Only those who are fully unemployed will be required to search for a job. People who are partially unemployed, as well as those who cannot work due to health or childcare reasons, will not be subject to the work search mandate.

State UI Improvements

In February, the state announced its plans to replace the antiquated mainframe system that has hindered the processing of benefits. This upgrade will speed up processing time and prevent UI-related fraud, waste and abuse. This upgrade will be funded in part by the ARP, which I supported.

To improve the disbursement of unemployment benefits to Hawai'i claimants, DLIR has announced the following improvements:

- Expanding the number of staff at call and claims investigation centers,
- Hiring a vendor to perform investigations focusing on overpayments,
- Instituting an appointment system
- Upgrading online appointment system to allow claimants to communicate with unemployment staff via video conference or on the phone.

Appointments are currently available every Tuesday and Thursday. To make an appointment, go to www.labor.hawaii.gov/ui.

Frequently Asked Questions

How Do I Apply for Extended Benefits?

For individuals on the Extended Benefits (EB20) program, the state will automatically move you to the PEUC 2 program. Please continue to file your weekly claim certification(s) during this transition.

To file a claim online, visit www.huiclaims2020.hawaii.gov/initial-claim. This online form is the same for all residents, including salaried workers, hourly employees and self-employed workers who are eligible for benefits under the federal PUA and PEUC programs. If you or those you know are having problems obtaining unemployment benefits, please call my Honolulu Office at (808) 650-6688. I will do what I can to help.

For new claimants, to receive UI benefits you need to file a claim with the UI program in the state where you worked. If you worked in a state other than the one where you now live or if you worked in multiple states, the state UI agency where you now live can provide information about how to file your claim with other states. If you worked outside of Hawai'i, here are two important tips:

- When you file a claim, you will be asked for certain information, such as addresses and dates of your former employment. To make sure your claim is not delayed, be sure to give complete and correct information.
- You should contact your state's UI program as soon as possible after becoming unemployed.

What are the new unemployment benefits in the ARP?

The ARP made some changes to UI, including who is eligible to receive UI, how much money they receive, how long they are eligible to be on the program and the tax status of those benefits.

- **How Much:** The ARP included \$300 in weekly benefits for individuals who are unemployed.
- **How Long:** These extended benefits run through September 6, 2021.
- **Tax Status:** The ARP waives federal income taxes on the first \$10,200 of unemployment benefits received in 2020 by middle- and lower-income taxpayers. The tax relief extends to both workers who received benefits through federal unemployment programs as well as those who received traditional benefits through their state UI fund.

Why am I not able to file my weekly UI claim?

The agency says they are aware that some individuals could not file their weekly claim certification(s) for the week ending March 20, 2021 because their claim benefit year expired on March 14, 2021. The reason for this could be that an individual meets the criteria to establish a new regular UI claim.

- If you qualify for a new regular UI claim, you will receive an email advising you to apply for the new claim.
- If you do not meet the criteria to establish a new claim and have a remaining balance on your PEUC 2 claim, your benefit year expiration date will be adjusted to allow you to continue to submit claims on the PEUC 2 program. The UI Division is extending the benefit year expiration dates for qualified claimants in batches after the expiration date has passed.

The UI Division anticipates the necessary programming to fully implement these changes to the UI program will be completed shortly. Hawai'i residents should check their email for notifications and the UI claim portal for updates.